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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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TO: **Internal File**

FROM: Paul B. Baker, Reclamation Biologist, Team Lead *PB*

RE: Updated Ownership and Control Information, UtahAmerican Energy, Inc., Horse Canyon Mine, C/007/013-LF00C

SUMMARY:

UtahAmerican is proposing to update ownership and control information for the Horse Canyon Mine. UtahAmerican has purchased the federal coal leases and other rights from the Intermountain Power Agency (IPA) and no longer subleases these areas.

The surface ownership map, Plate I-1, has been updated but not the coal ownership map, Plate I-2. Plate I-2 in the current plan still shows Kaiser Steel as owning coal rights. This needs to be updated. In addition, there are discrepancies between the information shown in Appendix 1-2 and the land ownership information on Plate I-1 that need to be corrected.

TECHNICAL ANALYSIS:

GENERAL CONTENTS

IDENTIFICATION OF INTERESTS

Regulatory Reference: 30 CFR 773.22; 30 CFR 778.13; R645-301-112

Analysis:

In July 2000, UtahAmerican Energy, Inc., purchased all of Intermountain Power Agency's holdings associated with the Horse Canyon Mine. The application includes updated land ownership information to reflect these changes.

TECHNICAL MEMO

The existing mining and reclamation plan contains ownership and control information for UtahAmerican, including its officers and directors and information about affiliated companies and their coal mining and reclamation operations.

The applicant has updated the surface ownership map, Plate I-1, and the ownership information on this plate is in agreement with the text of the application. Plate I-1 does not provide complete subsurface ownership information. The revised Appendix 1-2 contains legal descriptions and coal ownership information for the permit area, but regulation R645-301-521.131 requires that the plan include a map showing present owners of record of those lands, both surface and subsurface, in and contiguous to the permit area. Plate I-2 in the current mining and reclamation plan has subsurface ownership information, but this plate is outdated and needs to be replaced.

General legal descriptions for the permit area and contiguous areas in the revised Appendix 1-2 were checked as far as possible against the revised Plate I-1. Although Plate I-1 contains some subsurface ownership information, it was impossible to make a complete check for subsurface ownership. The legal descriptions in Appendix 1-2 do not apply strictly to the permit area; if they did, they would have to be metes and bounds descriptions. Appendix 1-2 simply identifies lands within which the permit area lies and lands adjacent to the permit area. Because the legal descriptions are not precise, the descriptions for the permit area overlap in many cases with those of the contiguous area..

A table like that found in Appendix 1-2 is not required by regulation, but if it is included in the mining and reclamation plan, it needs to be accurate. The Division found the following discrepancies between the information in Appendix 1-2 and what is shown on Plate I-1:

For the permit area:

1. In Section 4, Township 16 South, Range 14 East, the legal description includes both SE $\frac{1}{4}$ NE $\frac{1}{4}$ and the S $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$. These areas overlap.
2. Also in Section 4, Township 16 South, Range 14 East, there is no description for anything in the SE $\frac{1}{4}$ although Plate I-1 shows a portion of the permit area there.

For contiguous areas:

1. Section 4, Township 16 South, Range 14 East, should include the NE $\frac{1}{4}$ SW $\frac{1}{4}$ and the NW $\frac{1}{4}$ SE $\frac{1}{4}$.
2. Section 9, Township 16 South, Range 14 East, should include the SE $\frac{1}{4}$ NE $\frac{1}{4}$.

3. Section 10, Township 16 South, Range 14 East, should include the NE $\frac{1}{4}$ NE $\frac{1}{4}$, the SW $\frac{1}{4}$ SE $\frac{1}{4}$, and possibly the SE $\frac{1}{4}$ SW $\frac{1}{4}$.
4. In Section 11, Township 16 South, Range 14 East, there are three quarter quarter sections listed that do not appear to be contiguous to the permit area. These are the NW $\frac{1}{4}$ NE $\frac{1}{4}$, the NE $\frac{1}{4}$ SE $\frac{1}{4}$, and the SE $\frac{1}{4}$ SE $\frac{1}{4}$.
5. Also in Section 11, the W $\frac{1}{2}$ W $\frac{1}{2}$ contains land that is contiguous to the permit area but is not listed in the appendix.

Findings:

Information in the proposal is not adequate to meet the requirements of this section of the regulations. Prior to final approval, the applicant must supply the following information in accordance with:

R645-301-112.500; R645-301-121.100, and R645-301-521.131, The land ownership information on Plate I-2 in the current mining and reclamation plan needs to be updated and must correspond with information in the text.

R645-301-112.500, R645-301-112.600, and R645-300-133.100, The legal descriptions of the permit area and contiguous areas needs to correspond with what is shown on Plate I-1.

RIGHT OF ENTRY

Regulatory Reference: 30 CFR 778.15; R645-301-114

Analysis:

The application says UtahAmerican Energy purchased IPA's interest in the federal leases in July 2000 and that the Bureau of Land Management (BLM) is assigning all rights directly to UtahAmerican Energy. On September 11, 2000, the Division received a letter from the BLM with copies of assignments from IPA to UtahAmerican of six federal leases. A portion of only one of these, SL-066145, is in the permit area.

There is one area in Section 34, Township 15 South, Range 14 East, where the subsurface owner is not known, so it appears the applicant does not have right of entry for this area. While this is an unusual situation, it is not essential for the applicant to have right of entry for this area unless it is proposing to extract coal.

TECHNICAL MEMO

Findings:

Information in the application is adequate to meet the requirements of this section of the regulations.

RECOMMENDATIONS:

The application should not be approved until deficiencies identified in this memorandum have been adequately addressed.

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